

Project Investment Justification

DEERS Pandemic Unemployment Assistance

DE20017

Department of Economic Security

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1. GENERAL INFORMATION

PIJ ID: DE20017

PIJ Name: DERS Pandemic Unemployment Assistance

Account: Department of Economic Security

Business Unit Requesting: Department of Economic Security (DES) Division of Employment & Rehabilitation Services (DERS)

Sponsor: Michael Wisehart

Sponsor Title: DERS Assistant Director

Sponsor Email: mwisehart@azdes.gov

Sponsor Phone: (602) 542-4910

2. MEETING PRE-WORK

2.1 What is the operational issue or business need that the Agency is trying to solve? (i.e....current process is manual, which increases resource time/costs to the State/Agency, and leads to errors...):

The Arizona Department of Economic Security (DES), Division of Employment and Rehabilitation Services (DERS) operates the Unemployment Insurance (UI) program. As part of the CARES Act 2020, the Pandemic Unemployment Assistance (PUA) program was created. The PUA Program provides Unemployment Insurance assistance for individuals who do not monetarily qualify for regular UI assistance.

The current state of the Arizona UI program's systems will not support the changes necessary to facilitate the operation of the Pandemic Unemployment Assistance (PUA) program. The current system is 35+ years old. The system is inflexible in its design and does not have the capacity to conceive of a different program like Pandemic Unemployment Assistance. Pandemic Unemployment Assistance has never been implemented before and the rules governing Pandemic Assistance contradict the inherent rules of the current system.

2.2 How will solving this issue or addressing this need benefit the State or the Agency?

Many Arizonans do not have a sufficient wage history that qualifies them for UI under normal state guidelines. These individuals are classified as Monetarily Ineligible to receive benefits.

The PUA program provides an alternate path of qualification to receive UI benefits and provides a temporary safety net for these individuals.

2.3 Describe the proposed solution to this business need.

The proposed solution is a Software-as-a-Service (SaaS) subscription to a PUA system that will provide Arizona with the ability to perform the necessary functions to operate the PUA program; thereby increasing the number of Arizonans eligible to receive benefits. Our estimates are currently 100,000 recipients which is approximately \$84,000,000 per week.

This system is offered by Geographic Solutions, Inc (GSI), a well-known vendor in the UI line of business, and has partnered with several states to manage their UI systems.

Geographic Solutions presented a completely stand-alone PUA system that would be ideal for Arizona. This module has been taken from GSI's larger integrated UI system. The PUA system presented would facilitate the PUA program completely without needing to modify the existing system, but rather, receive information from the existing system to aid in the registration process of those individuals who meet the PUA criteria. Geographic Solution's system is highly configurable to meet Arizona's needs and can be hosted in a FedRamp certified cloud environment.

Geographic Solutions currently positioned to go live with PUA in Louisiana and Tennessee (two states similar in size to Arizona) by the end of next week. With a PUA system already developed and open for customization, the timeline to implement the solution is drastically reduced compared to building something from scratch or attempting to modify a 30+-year-old network of systems. This is the most advantageous path to support the PUA program in Arizona.

Additionally, the modular framework of the GSI UI solution provides the potential for expansion should Arizona determine that future UI modernization be necessary.

Several options were investigated as part of the research done to determine the best course of action for supporting the PUA program.

Idaho has an in-house developed integrated Unemployment system and is still unclear how PUA will be implemented. The integrated nature of Idaho's system makes it virtually impossible to segregate functionality and transfer it to Arizona to use.

Tata Consultancy Services also has developed an Unemployment Insurance system that is used in multiple states. It too is fully integrated and does not support the segregating of functionality to solely support the PUA program. Additionally, there are still conversations being had about how to implement this functionality.

The United States Department of Labor (USDOL) partners with the National Association of State Workforce Agencies (NASWA) on Unemployment Policy and Technology. Information gathered from technology leaders with NASWA has indicated that there is nationwide difficulty in administering the PUA program at a systems level.

Funding for this effort is 100% Federal funds.

Paula Mattingly approved on April 13, 2020.

2.4 Has the existing technology environment, into which the proposed solution will be implemented, been documented?

Yes

2.4a Please describe the existing technology environment into which the proposed solution will be implemented.

2.5 Have the business requirements been gathered, along with any technology requirements that have been identified?

Yes

2.5a Please explain below why the requirements are not available.

3. PRE-PIJ/ASSESSMENT

3.1 Are you submitting this as a Pre-PIJ in order to issue a Request for Proposal (RFP) to evaluate options and select a solution that meets the project requirements?

No

3.1a Is the final Statement of Work (SOW) for the RFP available for review?

3.2 Will you be completing an assessment/Pilot/RFP phase, i.e. an evaluation by a vendor, 3rd party or your agency, of the current state, needs, & desired future state, in order to determine the cost, effort, approach and/or feasibility of a project?

No

3.2a Describe the reason for completing the assessment/pilot/RFP and the expected deliverables.

3.2b Provide the estimated cost, if any, to conduct the assessment phase and/or Pilot and/or RFP/solicitation process.

3.2e Based on research to date, provide a high-level cost estimate to implement the final solution.

4. PROJECT

4.1 Does your agency have a formal project methodology in place?

Yes

4.2 Describe the high level makeup and roles/responsibilities of the Agency, Vendor(s) and other third parties (i.e. agency will do...vendor will do...third party will do).

DES will be responsible for the managing the project and the budget to ensure all milestones are met by the vendor. DES will also work with the vendor to develop the environments where the system will be hosted in the MS AZURE Government Cloud.

The vendor will be responsible for configuring, maintaining and any integration with required DES entities.

4.3 Will a PM be assigned to manage the project, regardless of whether internal or vendor provided?

Yes

4.3a If the PM is credentialed, e.g., PMP, CPM, State certification etc., please provide certification information.

4.4 Is the proposed procurement the result of an RFP solicitation process?

No

4.5 Is this project referenced in your agency's Strategic IT Plan?

No

5. SCHEDULE

5.1 Is a project plan available that reflects the estimated Start Date and End Date of the project, and the supporting Milestones of the project?

No

5.2 Provide an estimated start and finish date for implementing the proposed solution.

Est. Implementation Start Date

Est. Implementation End Date

5/4/2020 12:00:00 AM

6/1/2020 12:00:00 AM

5.3 How were the start and end dates determined?

Other

5.3a List the expected high level project tasks/milestones of the project, e.g., acquire new web server, develop software interfaces, deploy new application, production go live, and estimate start/finish dates for each, if known.

Milestone / Task	Estimated Start Date	Estimated Finish Date
Requirements	05/04/20	05/10/20
Development	05/12/20	05/17/20
User Acceptance Testing	05/20/20	05/29/20
Deployment Activities	05/30/20	06/01/20

5.4 Have steps needed to roll-out to all impacted parties been incorporated, e.g. communications, planned outages, deployment plan?

Yes

5.5 Will any physical infrastructure improvements be required prior to the implementation of the proposed solution. e.g., building reconstruction, cabling, etc.?

No

5.5a Does the PIJ include the facilities costs associated with construction?

5.5b Does the project plan reflect the timeline associated with completing the construction?

6. IMPACT

6.1 Are there any known resource availability conflicts that could impact the project?

No

6.1a Have the identified conflicts been taken into account in the project plan?

6.2 Does your schedule have dependencies on any other projects or procurements?

No

6.2a Please identify the projects or procurements.

6.3 Will the implementation involve major end user view or functionality changes?

Yes

6.4 Will the proposed solution result in a change to a public-facing application or system?

Yes

7. BUDGET

7.1 Is a detailed project budget reflecting all of the up-front/startup costs to implement the project available, e.g, hardware, initial software licenses, training, taxes, P&OS, etc.?

No

7.2 Have the ongoing support costs for sustaining the proposed solution over a 5-year lifecycle, once the project is complete, been determined, e.g., ongoing vendor hosting costs, annual maintenance and support not acquired upfront, etc.?

No

7.3 Have all required funding sources for the project and ongoing support costs been identified?

Yes

7.4 Will the funding for this project expire on a specific date, regardless of project timelines?

No

7.5 Will the funding allocated for this project include any contingency, in the event of cost over-runs or potential changes in scope?

Yes

8. TECHNOLOGY

8.1 Please indicate whether a statewide enterprise solution will be used or select the primary reason for not choosing an enterprise solution.

There is not a statewide enterprise solution available

8.2 Will the technology and all required services be acquired off existing State contract(s)?

Yes

8.3 Will any software be acquired through the current State value-added reseller contract?

Yes

8.3a Describe how the software was selected below:

As part of the CARES Act 2020, the Pandemic Unemployment Assistance (PUA) program was created. The PUA Program provides Unemployment Insurance assistance for individuals who do not monetarily qualify for regular Unemployment assistance. A review of Arizona's existing systems revealed that the PUA program could not be easily integrated with the current network of systems.

Geographic Solutions presented a completely stand-alone PUA system that would be ideal for Arizona. The PUA system presented would facilitate the PUA program completely without needing to modify the existing system, but rather, receive information from the existing system to aid in the registration process of those individuals who meet the PUA criteria. Geographic Solution's system is highly configurable to meet Arizona's needs and can be hosted in a FedRamp certified cloud environment.

Geographic Solutions is well-known in the Unemployment Insurance line of business and is currently positioned to go live with PUA in two states similar in size to Arizona by the end of next week. With a PUA system already developed and open for customization, the timeline to implement the solution is drastically reduced compared to building something from scratch or attempting to modify a 30+-year-old network of systems. This is the most advantageous path to support the PUA program in Arizona.

8.4 Does the project involve technology that is new and/or unfamiliar to your agency, e.g., software tool never used before, virtualized server environment?

Yes

8.5 Does your agency have experience with the vendor (if known)?

Yes

8.6 Does the vendor (if known) have professional experience with similar projects?

Yes

8.7 Does the project involve any coordination across multiple vendors?

No

8.8 Does this project require multiple system interfaces, e.g., APIs, data exchange with other external application systems/agencies or other internal systems/divisions?

Yes

8.9 Have any compatibility issues been identified between the proposed solution and the existing environment, e.g., upgrade to server needed before new COTS solution can be installed?

No

8.9a Describe below the issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you.

8.10 Will a migration/conversion step be required, i.e., data extract, transformation and load?

Yes

8.11 Is this replacing an existing solution?

No

8.11a Indicate below when the solution being replaced was originally acquired.

8.11b Describe the planned disposition of the existing technology below, e.g., surplus, retired, used as backup, used for another purpose:

8.12 Describe how the agency determined the quantities reflected in the PIJ, e.g., number of hours of P&OS, disk capacity required, number of licenses, etc. for the proposed solution?

Based on vendor SOW.

8.13 Does the proposed solution and associated costs reflect any assumptions regarding projected growth, e.g., more users over time, increases in the amount of data to be stored over 5 years?

Yes

8.14 Does the proposed solution and associated costs include failover and disaster recovery contingencies?

Yes

8.14a Please select why failover and disaster recovery is not included in the proposed solution.

8.15 Will the vendor need to configure the proposed solution for use by your agency?

Yes

8.15a Are the costs associated with that configuration included in the PIJ financials?

Yes

8.16 Will any app dev or customization of the proposed solution be required for the agency to use the project in the current/planned tech environment, e.g. a COTS app that will req custom programming, an agency app that will be entirely custom developed?

Yes

8.16a Will the customizations inhibit the ability to implement regular product updates, or to move to future versions?

No

8.16b Describe who will be customizing the solution below:

The vendor will make all customization changes.

8.16c Do the resources that will be customizing the application have experience with the technology platform being used, e.g., .NET, Java, Drupal?

Yes

8.16d Please select the application development methodology that will be used:

Agile/Scrum

8.16e Provide an estimate of the amount of customized development required, e.g., 25% for a COTS application, 100% for pure custom development, and describe how that estimate was determined below:

Approximately 25% or 1-2 weeks for the COTS application.

8.16f Are any/all Professional & Outside Services costs associated with the customized development included in the PIJ financials?

Yes

8.17 Have you determined that this project is in compliance with all applicable statutes, regulations, policies, standards & procedures, incl. those for network, security, platform, software/application &/or data/info found at aset.az.gov/resources/psp?

Yes

8.17a Describe below the compliance issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you:

8.18 Are there other high risk project issues that have not been identified as part of this PIJ?

No

8.18a Please explain all unidentified high risk project issues below:

9. SECURITY

9.1 Will the proposed solution be vendor-hosted?

No

9.1a Please select from the following vendor-hosted options:

9.1b Describe the rationale for selecting the vendor-hosted option below:

9.1c Has the agency been able to confirm the long-term viability of the vendor hosted environment?

9.1d Has the agency addressed contract termination contingencies, e.g., solution ownership, data ownership, application portability, migration plans upon contract/support termination?

9.1e Has a Conceptual Design/Network Diagram been provided and reviewed by ASET-SPR?

9.1f Has the spreadsheet located at <https://aset.az.gov/arizona-baseline-security-controls-excel> already been completed by the vendor and approved by ASET-SPR?

9.2 Will the proposed solution be hosted on-premise in a state agency?

No

9.2a Where will the on-premise solution be located:

9.2b Were vendor-hosted options available and reviewed?

9.2c Describe the rationale for selecting an on-premise option below:

9.2d Will any data be transmitted into or out of the agency's on-premise environment or the State Data Center?

9.3 Will any PII, PHI, CGIS, or other Protected Information as defined in the 8110 Statewide Data Classification Policy be transmitted, stored, or processed with this project?

Yes

9.3a Describe below what security infrastructure/controls are/will be put in place to safeguard this data:

The application will reside in a MS AZURE Gov cloud environment. See attached architecture documents.

10. AREAS OF IMPACT

Application Systems

Application Enhancements;New Application Development

Database Systems

Software

COTS Application Customization;COTS Application Acquisition

Hardware

Hosted Solution (Cloud Implementation)

Microsoft Azure

Security

Encryption

Telecommunications

Enterprise Solutions

Contract Services/Procurements

11. FINANCIALS

Description	PIJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
One-Time Fee \$497,625.00 Due at start of UAT	Professional & Outside Services	Development	1	1	\$497,625	\$497,625	0.00 %	\$0	\$497,625
\$497,625.00 Due up Acceptance of System for Go Live	Professional & Outside Services	Development	1	1	\$497,625	\$497,625	0.00 %	\$0	\$497,625

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
\$0	\$0	0%
APF (Available)	APF (To Be Req)	APF % of Project
\$0	\$0	0%
Other Appropriated (Available)	Other Appropriated (To Be Req)	Other Appropriated % of Project
\$0	\$0	0%
Federal (Available)	Federal (To Be Req)	Federal % of Project
\$995,250	\$0	100%
Other Non-Appropriated (Available)	Other Non-Appropriated (To Be Req)	Other Non-Appropriated % of Project
\$0	\$0	0%

Total Budget Available	Total Development Cost
\$995,250	\$995,250
Total Budget To Be Req	Total Operational Cost
\$0	\$0
Total Budget	Total Cost
\$995,250	\$995,250

12. PROJECT SUCCESS

Please specify what performance indicator(s) will be referenced in determining the success of the proposed project (e.g. increased productivity, improved customer service, etc.)? (A minimum of one performance indicator must be specified)

Please provide the performance objective as a quantifiable metric for each performance indicator specified.

Note: The performance objective should provide the current performance level, the performance goal, and the time period within which that performance goal is intended to be achieved. You should have an auditable means to measure and take corrective action to address any deviations.

Example: Within 6 months of project completion, the agency would hope to increase "Neighborhood Beautification" program registration by 20% (3,986 registrants) from the current registration count of 19,930 active participants.

Performance Indicators

Successful implementation of this Pandemic Unemployment Assistance system will provide ADES with:

- The ability to intake, process and pay claims under the rules of the CARES Act 2020 - Pandemic Unemployment Assistance
- The ability to report on activity in the system at multiple levels
- The ability to provide alternate means of unemployment assistance to more than 100,000

13. CONDITIONS

Conditions for Approval

Should development costs exceed the approved estimates by 10% or more, or should there be significant changes to the proposed technology scope of work or implementation schedule, the Agency must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and ITAC if required, for review and approval prior to further expenditure of funds.

14. OVERSIGHT SUMMARY

Project Background

The Arizona Department of Economic Security (DES), Division of Employment and Rehabilitation Services (DERS) operates the Unemployment Insurance (UI) program. The Pandemic Unemployment Assistance (PUA) program was created by the US Department of Labor to provide assistance to individuals who do not qualify for regular UI program. This program will provide assistance to approximately 100,000 people and provide 84 million dollars in benefits per week.

The current UI system is a 35 year old Cobalt based system that is not easily modifiable to accommodate the CARES Act 2020 disaster unemployment insurance program.

Business Justification

Purchase of this software is necessary in order to comply with the US Department of Labor's CARES Act 2020 and provide pandemic unemployment assistance to recipients due to current COVID-19 crisis. The solution will allow DES to provide monetary assistance to over 100,000 individuals.

Implementation Plan

The project is only one month for development. DES and the vendor will be responsible for developing the environments where the system will be hosted in the MS AZURE Government Cloud. The vendor will be responsible for configuring, maintaining and any integration with required DES entities.

This PIJ covers the implementation costs only, once DES evaluates and determines how long they will need to subscribe to the solution, the agency will submit a change request to modify the cost, and budget of the project.

Vendor Selection

Due to the urgent nature of the project, DES had limited time to evaluate various vendors. DES found a solution used by other States such as Louisiana and Tennessee, who are utilizing the vendor Geographic Solutions and experienced success in the implementation of their solutions. DES discovered Geographic Solutions product will meet the needs of DES without substantial modifications resulting in the delay of implementation and payments to unemployed individuals.

Budget or Funding Considerations

The project is 100% federally funded.

15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Michael Wisehart

Agency CIO (or Designee)

Paula Mattingly

Agency ISO (or designee)

Todd Luther

OSPB Representative

ASET Engagement Manager

Soady Saed

ASET SPR Representative

Thomas Considine

Agency SPO Representative

Mark Darmer

Agency CFO

David Steuber
